GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2393
ANSWERED ON:10.03.2000
PLANTATION COMPANIES
M.V.CHANDRASHEKHARA MURTHY

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that Plantation companies who raised money from public are not refunding the money on the maturity of their schemes on one reason or the other and are harassing the public;

(b) if so, whether the Government had identified such Plantation Companies on the basis of public complaints and press reports;

(c) if so, the details of these companies and the steps taken by the Government to blacklist such companies/organisations so that they could not raise funds from public through new schemes; and

(d) the names and addresses of Government organisations where public could register their complaints against such companies and organisations?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI BALASAHEB VIKHE PATIL)

(a), (b) & (c) Complaints have been received from investors against various plantation companies.

The Government, vide its press release dated November 18, 1997, directed that schemes through which instruments such as agro bonds and plantation bonds are issued by entities, would be treated as collective investment schemes (CIS) coming under the purview of the Securities and Exchange Board of India (SEBI). SEBI vide its press release dated November 26, 1997 and its public notice dated December 18, 1997, directed existing schemes to file the details of their schemes with SEBI.

The SEBI (Collective Investment Schemes) Regulations, 1999 were notified on October 15, 1999. Henceforth, no person other than a Collective Investment Management Company, which has obtained a certificate of registration under the Regulations, can carry on or sponsor or launch a Collective Investment Scheme. Also, no existing Collective Investment Scheme is allowed to launch any new scheme or raise money from the investors even under the existing schemes, unless a certificate of registration is granted to it under the Regulations.

SEBI has received information from 642 entities which had reportedly raised about Rs. 2681 crores. Of these 642 entities, 32 entities have applied to SEBI for the grant of registration under the provisions of the SEBI (CIS) Regulations, 1999. As per the provisions of the Regulations, those existing schemes which fail to make an application for grant of registration or are not desirous of obtaining provisional registration from SEBI are required to compulsorily wind up their existing schemes and make payment to the investors. Thus, the remaining 610 CIS entities are required to wind up their schemes and repay the investors.

SEBI has been issuing press releases/public notices from time to time to the effect that no entity can raise funds without obtaining a certificate of registration from SEBI and that till date no entity has been granted registration.

(d) A list of SEBI offices which may be contacted with regard to investor grievances falling under the purview of the SEBI (CIS) Regulations, 1999, is provided in the Annexure. Investors can also approach District Consumer Redressal Forums in case entities fail to honour their commitments.

Annexure referred to in Part (d) of the reply to Lok Sabha Unstarred Question No. 2393 for answer on 10th March 2000, regarding Plantation Companies.

SEBI Offices
Jurisdiction for the Companies having their registered offices in SEBI Head Office Mittal Court `A` Wing, Ground Floor, 224, Nariman Point, Mumbai 400021. Ph: 285 0451-55; Fax: 204 5633

Gujarat, Maharashtra, Madhya Pradesh, Goa, Dadra & Nagar Haveli & Daman Diu.

SEBI Northern Regional Office Block No. 1, Rajendra Bhawan, Rajendra Place District Centre, New Delhi 110 008. Ph: 573 2313 571 8911; Fax: 5768992

Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh, Delhi & Chandigarh.

SEBI Eastern Regional Office: FMC Fortuna, 5th Floor, 234/3A, AJC Bose Road, Calcutta 700 020 Ph. 240 2435, 4307, 6105; Fax: 240 4307

Assam, Bihar, Manipur, Meghalaya, Nagaland, Orissa, West Bengal, Arunachal Pradesh, Mizoram, Tripura, Sikkim and Andaman & Nicobar Islands.

SEBI Southern Regional Office: 3rd Floor, D` Monte Building, 32, D`Monte Colony, TTK Road, Alwarpet, Chennai 600 018. Ph: 499 5676, 5525, 7385, 7480, 7540; Fax: 499 8083

Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Pondicherry and Lakshadweep & Minicoy.